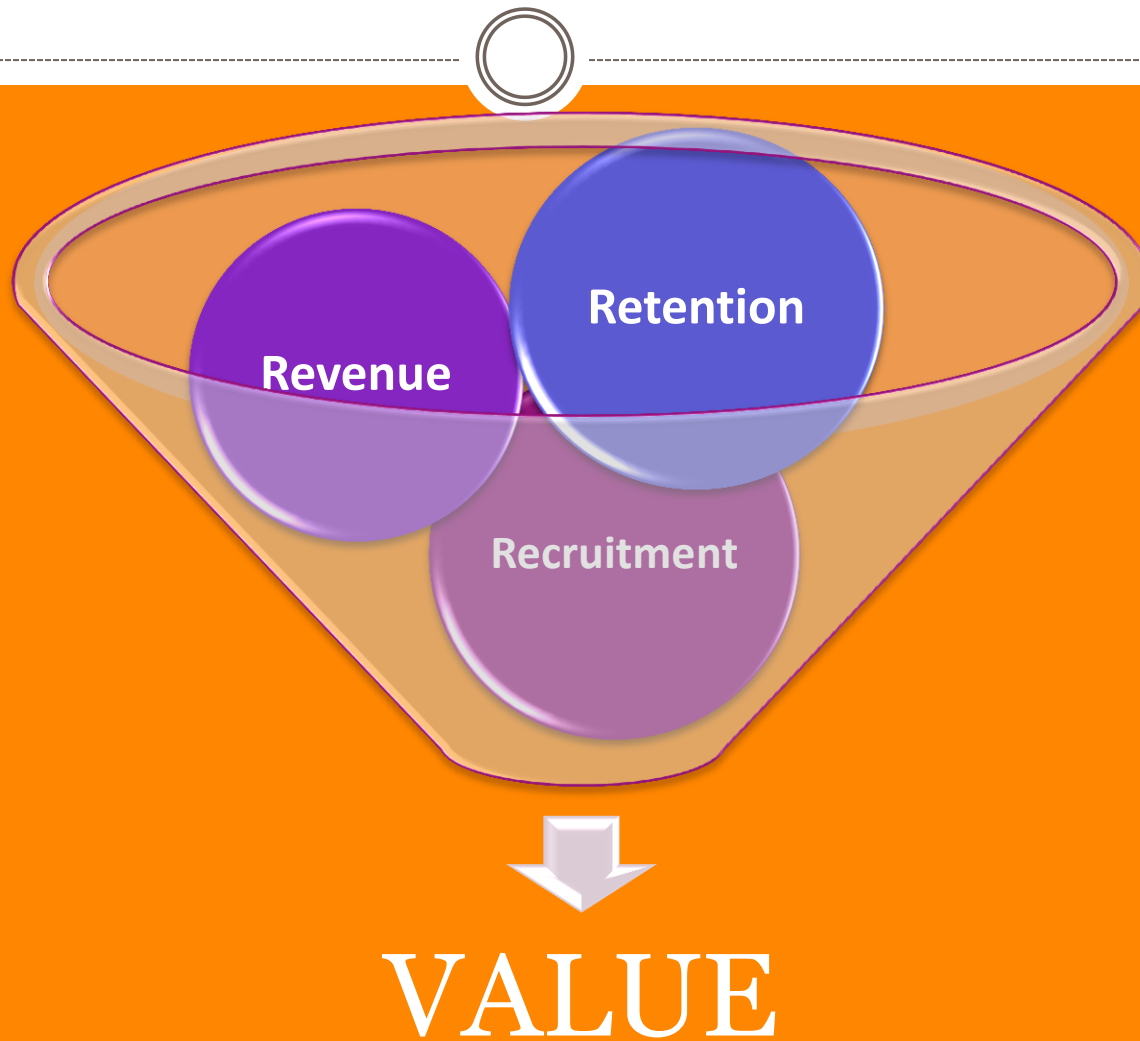


Bringing Sexy Back to Insurance



**USING BIG DATA ANALYTICS TO DERIVE
VALUE IN YOUR UBI PROGRAM**

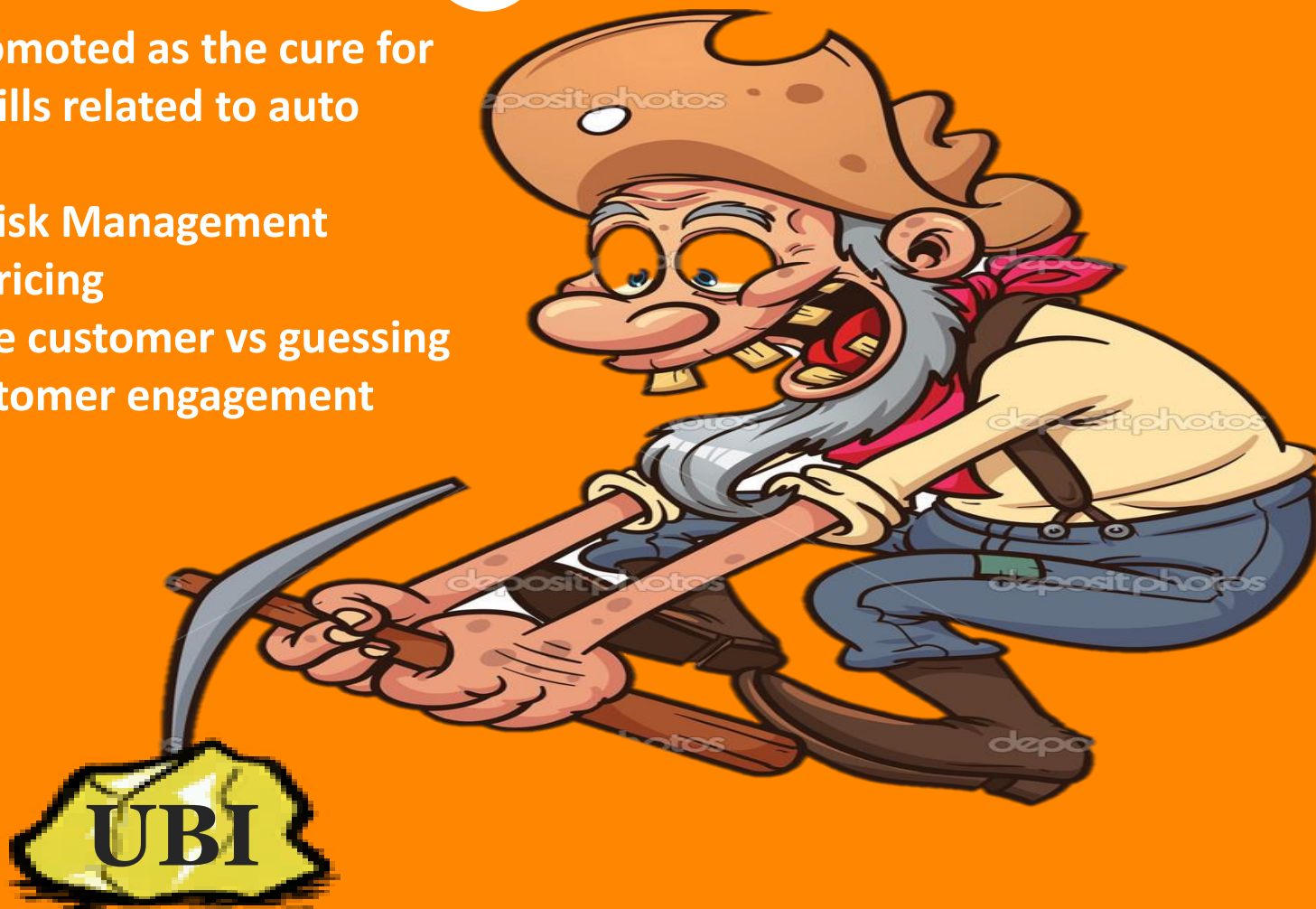
Deriving Value From UBI



There's Gold in Them Dongles!

UBI has been promoted as the cure for a number of the ills related to auto Insurance:

- Improved Risk Management
- Improved pricing
- Knowing the customer vs guessing
- Greater customer engagement



Implementing UBI is an Uphill Struggle



- Hardware Fulfillment
- Software Integration
- Discounts
- Business Integration
- Program Management
- Operations Management
- Big Data Analytics
- Policy Revisions
- Staffing
- Marketing
- Customer Service



Up your Connected Car Game to Remain Competitive



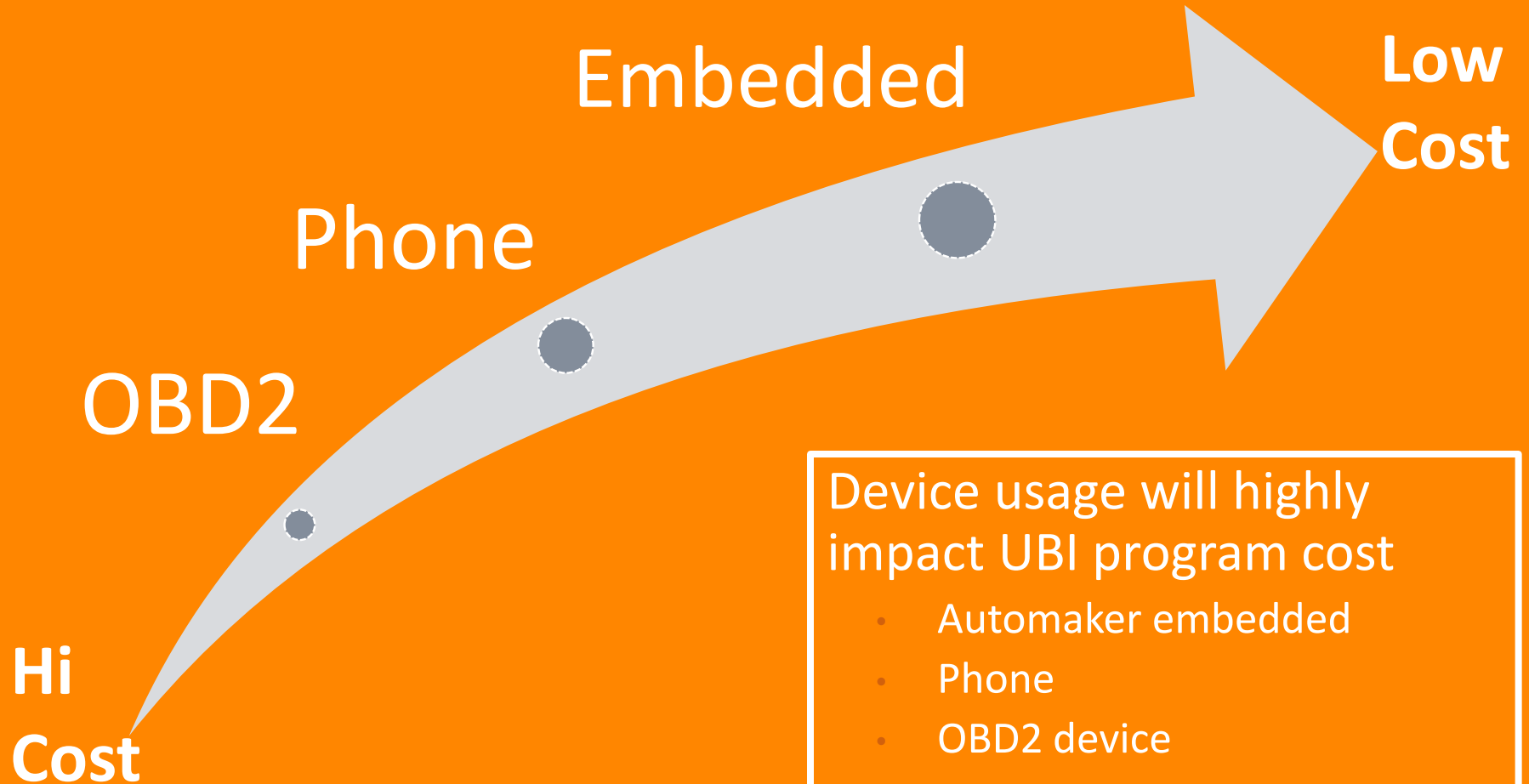
While the personal auto market presents a number of challenges for insurance carriers there are still opportunities to remain competitive and generate revenue.

To be successful insurance carriers must:

- Optimize customer data and big data analytics;
- Further develop its connected car product offerings and services;
- Create a flexible means of adding new connected car products and services; and,
- Create a methodology to ingest driving behavior data beyond UBI.

The growth in the “connected car” has had an especially large influence on Insurance- insurance is now a big data industry.

Device Evolution



Device usage will highly impact UBI program cost

- Automaker embedded
- Phone
- OBD2 device

Beyond Risk Scores



Real Big Data Analytics

- Create new products
- Truly manage risk
- Serious customer learning

Most Insurance Carriers are Not There Yet

- Lack of in-house expertise
- Lack of required analytical apps/software
- Lack of data integration/ingestion



Monetize the Data



LBS

- Identifies the location of a person or object
- Includes parcel tracking and vehicle tracking
- Can include mobile commerce such as coupons or advertising
- Personalized weather services and even location-based games.

Vehicle Health

- Predictive analytics to address vehicle repair and maintenance
- Car valuation
- Emissions
- Fuel economy

Claims Automation

- FNOL- Automated Crash Detection
- Emergency service dispatch
- Repair monitoring

Location Based Services

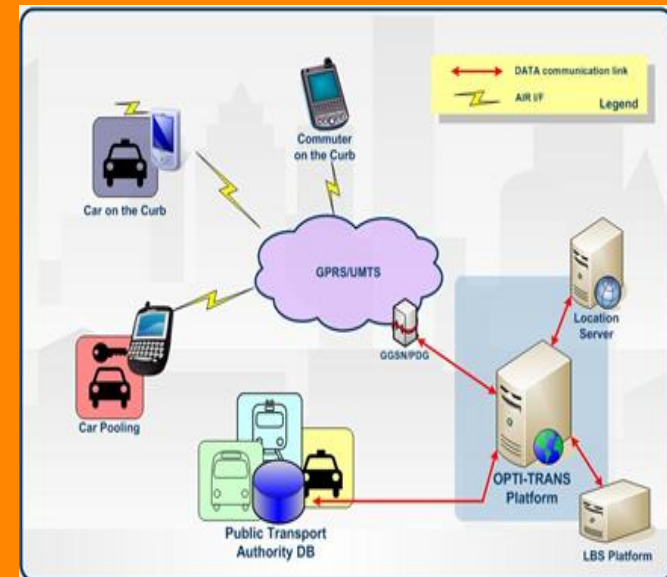


Few Insurance carriers can execute or operationalize LBS

Providing consumers with a personalized and timely digital experience requires mass churning of data with all necessary analytics. These disruptive changes are slowly shifting the focus from actuaries to data scientists to find that piece of “gold nugget” information in the piles of dirt (SAAMA Technologies 2015)

Advantages of LBS:

- Identifying the right customer for the right product at the right price at the lowest risk
- Speed to “new” market sooner – The new market is not just geographical but also demographical
- Know how and where customers are interacting with your marketing



Vehicle Health to Subsidize UBI



Product Features

- Diagnostic Alerts
- Predictive Vehicle Health Warnings
- Emissions Monitoring
- Recall Notices
- Maintenance Reminders
- Save Fuel Costs
- Repair Costs Estimates
- Couponing/LBS



Automated Claims Processing Powered by Telematics

End-to-End Claims Processing

Insurance

Driving
Event
Occurs

Device is
Triggered

Determine
Liability

Damage
Assessment

Settlement

Recovery

Telematics

FNOL to
Carrier

Notify
Emergency
Svcs

Coverage
Verification

CRP
Contacted

Claims
Adjuster
Assigned

Vehicle
Repair
Report



Smartphone-Sensor Data Fusion: Powered by Big Data Analytics

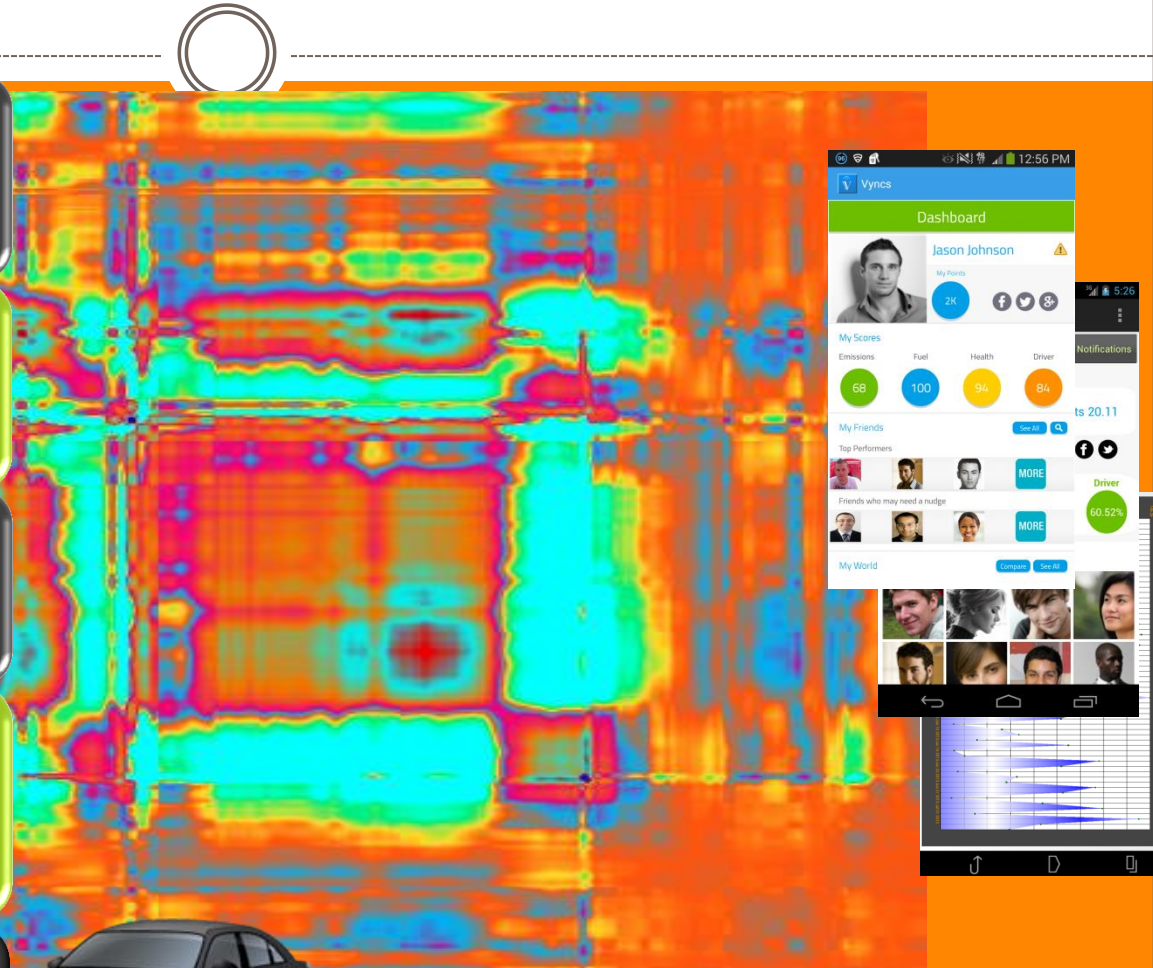
Onboard signal processing and machine learning algorithms for filtering and analyzing sensor data

- Low data communication
- Low battery drain
- Identifies driver/passenger
- Transportation mode detection

Advanced mathematics for multi-sensor data fusion in phone

- GPS-free automatic detection of vehicle movement
- Broad range of insurance analytics
- Privacy protections mode

Cloud-based backend classifier learning algorithms for event classification and modeling



Phone's sensor fusion heat map

Simplified UBI Program



UBI Program Overview

1. Provide discounts for people who buy connected car products and driving apps that collect driving data
2. Work with a BIG DATA analytics company to collect the data and provide a driving score
3. Offer a quote to the potential customer based on their driving score
4. Bind and underwrite

Less Risk and Lower Costs

- A. No devices to procure or store
- B. Limited customer service issues
- C. Less staff required
- D. No major systems integration
- E. Access to multiple distribution and marketing channels
- F. Flexible program with minimal capital expenses

Parting thoughts



- Costs of traditional UBI is going to come down
- The Value of UBI needs to be realized sooner rather than later
- BIG DATA analytics is going to create that value
- New products and services- achieved through BIG DATA
- New models of UBI are going to continue to help create value
 - By bringing down program costs
 - Simplifying the process
 - Providing program flexibility

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